

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* Hopkins Township	County* ALLEGAN	Type* TOWNSHIP	MuniCode* 03-1-100
Opinion Date-Use Calendar* Jun 3, 2008	Audit Submitted-Use Calendar* Sep 30, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

- ☒ ☐ 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- ☒ ☐ 2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
- ☒ ☐ 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- ☒ ☐ 4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
- ☒ ☐ 5. Did the local unit adopt a budget for all required funds?
- ☒ ☐ 6. Was a public hearing on the budget held in accordance with State statute?
- ☒ ☐ 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- ☒ ☐ 8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
- ☐ ☐ 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- ☒ ☐ 10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
- ☒ ☐ 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- ☒ ☐ 12. Is the local unit free of repeated reported deficiencies from previous years?
- ☒ ☐ 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- ☒ ☐ 15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
- ☒ ☐ 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- ☒ ☐ 17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
- ☐ ☐ 18. Are there reported deficiencies? ☐ 19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$ 704,780.00
General Fund Expenditure:	<input type="checkbox"/> \$ 626,031.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$ 1,538,226.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/>

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* David	Last Name* Wilson	Ten Digit License Number* 1102002446		
CPA Street Address* PO Box 205	City* Interlochen	State* MI	Zip Code* 49643	Telephone* +1 (231) 276-7668
CPA Firm Name* Gabridge & Co.	Unit's Street Address* 142E Main St	Unit's City* Hopkins	Unit's Zip* 49328	

HOPKINS TOWNSHIP

HOPKINS, MICHIGAN

For Year Ended
March 31, 2008

Audit Report

Gabridge & Co
Certified Public Accountants
Grand Rapids, MI 49548

HOPKINS TOWNSHIP
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INTRODUCTORY REPORT

GABRIDGE & CO
CERTIFIED PUBLIC ACCOUNTANTS

4245 CLAY AVE . GRAND RAPIDS MI . 49548 / P 866 298 3828 / F 888 229 1240 WWW.GABRIDGECPAS.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Hopkins Township
Hopkins, Michigan

We have audited the financial statements of Hopkins Township as of and for the year ended March 31, 2008, and have issued our report thereon dated June 3, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hopkins Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hopkins Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Hopkins Township's internal control over financial reporting.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hopkins Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Hopkins Township's response to the findings identified in our audit are described above. We did not audit Hopkins Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, others within the organization and the Township Board and is not intended to be and should not be used by anyone other than these specified parties.

Maludgo & Company

Grand Rapids, MI
June 3, 2008

FINANCIAL STATEMENTS

GABRIDGE & CO
CERTIFIED PUBLIC ACCOUNTANTS

4245 CLAY AVE . GRAND RAPIDS MI / 49548 / P 866 298 3828 / F 888 229 1240 WWW.GABRIDGECPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Hopkins Township
Hopkins, Michigan

We have audited the accompanying financial statements of the governmental activities each major fund, and the aggregate remaining fund information of Hopkins Township, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Hopkins Township. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hopkins Township, as of March 31, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2008, on our consideration of the Hopkins Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Gabridge + Company
Grand Rapids, MI
June 3, 2008

HOPKINS TOWNSHIP

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 37% from two years ago - increasing from \$1,503,886 to \$2,062,670. This was primarily caused by the payment for the Fire Equipment. While there was a significant increase in real Capital Assets, there was a substantial increase in debt for this equipment. The schedules reflecting this year's status are found on page 5.

The Township's Funds

Our analysis of the Township's accounting system has no major funds other than the general fund. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board can create funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund pays for all of the Township's governmental services. The amount transferred to the General Fund is supported by a detailed calculation of the current year costs.

General Fund Budgetary Highlights

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets.

Economic Factors and Next Year's Budgets and Rates

Hopkins Township's 2008-2009 budget calls for only the allocated millage of 1.000 mills. Hopkins Township has no voted millage. The state law mandated services and the services of the Hopkins Township Fire Department are provided with no voted millage at this time. This can be accomplished by the growth in our tax base. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value by less than inflation. The mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

General Overview of the Accomplishments of Hopkins Township in the 2007-2008 Fiscal Year

The Township finances have been managed very closely. This shows in the fund balance. The Township is in a healthy state as a whole.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 269-793-7742.

HOPKINS TOWNSHIP
Statement of Net Assets
March 31, 2008

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash, investments and cash equivalents	\$1,583,508
Receivables (net)	22,337
Prepaid Expenditures	694
Internal balances	
Inventories	
Due From Other Funds	26,461
Capital Assets, net	403,409
Total Assets	<u>2,036,409</u>
LIABILITIES	
Accounts payable	10,000
Accrued Interest	4,900
Deferred revenue	
Due to Other Agencies	
Deposits	
Noncurrent liabilities (Note 2):	
Due within one year	
Due in more than one year	163,337
Total Liabilities	<u>178,237</u>
NET ASSETS	
Invested in capital assets, net of related debt	240,072
Restricted for:	
Debt Service	0
Unrestricted (deficit)	1,618,100
Total Net Assets	<u>1,858,172</u>
Total Liabilities and Net Assets	<u>\$2,036,409</u>

HOPKINS TOWNSHIP
Statement of Activities
For the year ended March 31, 2008

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Primary Governmental Activities
Primary government					
Governmental activities:					
Legislative	\$30,942	\$0	\$0	\$0	(\$30,942)
General government	77,408	6,050			(71,358)
Public safety	75,422	0			(75,422)
Public works	85,659				(85,659)
Health and Welfare					0
Community and Economic Development					0
Recreation and Culture	2,560				(2,560)
Other	13,637				(13,637)
Cemetery	37,216				37,216
Interest on Long Term Debt	4,614				(4,614)
Total Governmental Activities	327,458	6,050			(321,408)
General revenues:					
Taxes					
Property Taxes-general					210,978
Licenses and Permits					11,792
Insurance Refunds					
State Shared Revenue					169,017
Franchise taxes					
Depreciation					(24,250)
Earned Interest					52,630
Other					162,853
Total General Revenues-Special Items and Transfers					583,020
Changes in Net Assets					261,612
Net Assets - Beginning					1,468,354
Net Assets - Ending					<u>\$1,858,172</u>

The footnotes are an integral part of these Financial Statements.

Hopkins Township
Reconciliations to GASB 34
March 31, 2008

Total Assets Governmental Funds	\$1,633,000
Add Capital Assets Net	<u>403,409</u>
Total Net Assets GASB 34	<u><u>2,036,409</u></u>
Excess Revenue Per Governmental	145,862
Add Capital Outlay	303,187
Less Proceeds From LTD	(163,337)
Less Depreciation	<u>(24,250)</u>
Changes in Net Assets	<u><u>\$261,462</u></u>

HOPKINS TOWNSHIP
Balance Sheet
Governmental Funds
March 31, 2008

	General Fund	Non Major Funds	Total
ASSETS			
Cash, investments and cash equivalents	\$1,508,610	\$74,898	\$1,583,508
Receivables (net)	22,337	0	22,337
Prepaid Expenditures	694		694
Due From Other Funds	21,485	4,976	26,461
Inventories			0
Total Assets	<u>1,553,126</u>	<u>79,874</u>	<u>1,633,000</u>
LIABILITIES			
Accounts payable	10,000		10,000
Due to Other Funds		0	0
Accrued payables	4,900		4,900
Deferred revenue	0		0
Noncurrent liabilities (Note 2):			0
Due within one year		3,884	3,884
Total Liabilities	<u>14,900</u>	<u>3,884</u>	<u>18,784</u>
NET ASSETS			
Invested in capital assets, net of related debt			
Restricted for:			
Capital projects	0		0
Debt Service			0
Unrestricted (deficit)	<u>1,538,226</u>	<u>75,990</u>	<u>1,614,216</u>
Total Net Assets	<u>1,538,226</u>	<u>75,990</u>	<u>1,614,216</u>
Total Liabilities and Net Assets	<u>\$1,553,126</u>	<u>\$79,874</u>	<u>\$1,633,000</u>

HOPKINS TOWNSHIP
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended March 31, 2008

Governmental Fund Types

	General	Non-Major Funds	Total Governmental
REVENUES			
Taxes	\$139,636	\$71,342	\$210,978
Mobile Home Licenses	258		258
Licenses and Permits	11,534		11,534
State Grant	169,017		169,017
Woodlands	0		0
Contributions	0		0
Charges for Services	6,050		6,050
Interest and Rentals	52,252	378	52,630
Proceeds from LTD	163,337		163,337
Other Revenues	162,696	7	162,703
Total Revenues	704,780	71,727	776,507
EXPENDITURES			
Legislative	30,942		30,942
General Government	77,408		77,408
Public Safety	75,422		75,422
Public Works	85,659		85,659
Recreation & Cultural	2,560		2,560
Other Functions	316,824		316,824
Cemetery	37,216		37,216
Debt Service		4,614	4,614
Capital Outlay		0	0
Total Expenditures	626,031	4,614	630,645
EXCESS REVENUES OVER (UNDER) EXPENDITURES			
	78,749	67,113	145,862
OTHER FINANCING SOURCES (USES)			
Transfers In	0		0
Transfers Out	0		0
Total Other Financing Sources (Uses)	0		0
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES			
	78,749	67,113	145,862
FUND BALANCE, BEGINNING			
	1,319,477	148,877	1,468,354
FUND BALANCE, ENDING			
	\$1,398,226	\$215,990	\$1,614,216

Hopkins Township
Statement of Net Assets
Trust and Agency Fund
March 31, 2008

Assets

Cash and Investments	\$5,858
Delinquent Taxes Receivable	<u>20,404</u>
Total Assets	26,262

Liabilities

Due to General Fund	21,286
Due to Debt Service Fund	<u>4,976</u>
Total Liabilities and Fund Balance	\$26,262

**HOPKINS TOWNSHIP
FOOTNOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Reporting Entity

Hopkins Township is a Charter Township located in Allegan County, Michigan. The Township is governed by an elected seven member board. Services are provided to approximately 2,671 residents and include fire protection through a contractual agreement and general community enrichment services.

The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials". As such, the Township has no other agencies reported as Component Units of the Township which requires a discreet presentation in accordance with GASB 14.

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Summary of Significant Accounting Policies

Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, debt service, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

The accounting policies of the Township conform to generally accepted accounting principles and include the following fund types

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of funds.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

E. Fixed Assets - Governmental Funds

All Governmental funds are accounted for on a modified accrual basis of accounting. All capital outlay is expensed in the appropriated fund. Under GASB 34 all fixed assets (net of accumulated depreciation) and long term debt are booked on the balance sheet as Net Assets and Long Term Debt. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Governmental Funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>		
Buildings	Straight Line	30-40 years		
Equipment	Straight Line	5 to 20 years		
		Asset	Depreciation	Accumulated Depreciation
General Fixed Assets				
Buildings and Land		147,857	3,157	33,294
Equipment		<u>328,808</u>	<u>21,093</u>	<u>39,961</u>
Total General Fixed Assets		476,665	24,250	73,255

F. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

The expenditures were all approved by the Board except for those which occurred as accounts payable at year end.

3. Long Term Debt

During 2007, the Township borrowed 163,337 to buy fire equipment. This was on a line of credit at an interest rate of 4% per annum. There is no required payback of principal in the current note and none was paid during 2008.

4. Cash and Investments

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d) Repurchase agreements consisting of instruments listed in subdivision (a).
- e) Bankers' acceptances of United States banks.
- f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
- g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:
 - i) The purchase of securities on a when-issued or delayed delivery basis.
 - ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.
- i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.
- j) The investment pools organized under the local government investment pool act, 1985 PA 121. In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

B. Deposits of the Township are as authorized by the Township Board. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of the Township have been invested in those depositories or investments as authorized by

Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>
Insured	\$ 200,000
Uninsured	\$ 843,823

The Township also has \$213,332 invested in certificates of deposit.

5. Use Of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

6. Interfund Receivable/Payable

General Fund	
Due From Tax Fund	\$21,485
Debt Service	
Due From Tax Fund	4,976
Tax Fund	
Due to Other Funds	29,461

7. Pension Plan

The Township has no pension plan.

8. Compensated Absences and Post Employment Benefits

The Township has no compensated absences.

9. Risk Management

The Township carries liability insurance through Municipal Underwriters of Michigan as a protection against risk.

10. Inventories

The Township does not maintain a substantial inventory of supplies or materials.

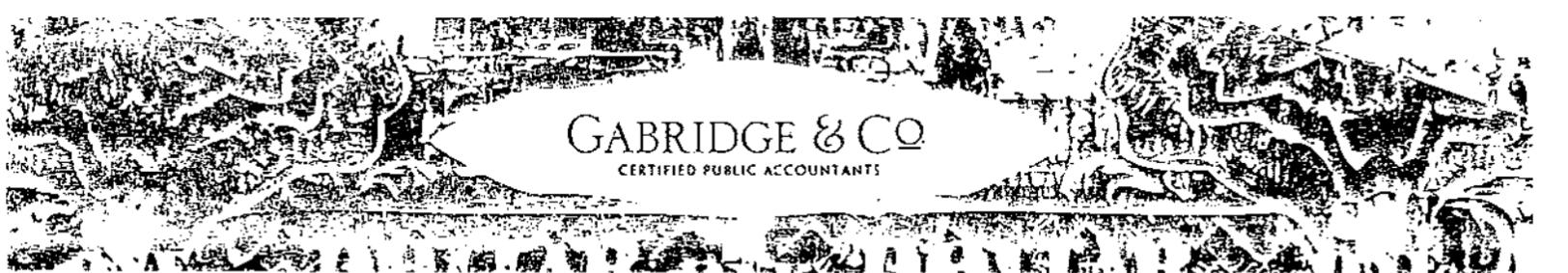
11. State Revenue Sharing Receivable

State Revenue Sharing for the month of later month Hopkins Township s had not been received as of the fiscal year end. The amount of this revenue is \$22,337 receivable.

12. Contingent Liabilities

Township management is aware of no contingent liabilities on the part of the Township.

SUPPLEMENTAL STATEMENTS



GABRIDGE & CO
CERTIFIED PUBLIC ACCOUNTANTS

4245 CLAY AVE / GRAND RAPIDS MI / 49548 / P 866 293 3828 / F 888 229 1240 / WWW.GABRIDGECPAS.COM

To the Hopkins Township Board
Hopkins, MI

We have audited the combined financial statements of the Hopkins Township for the year ended March 31, 2008. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Gabridge & Company

Grand Rapids, MI
June 3, 2008

General Fund

HOPKINS TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balance
All Non Major Funds
For the Year Ended March 31, 2008

	Governmental Fund Types	
	Debt Service Fund	Total Non Major
REVENUES		
Taxes	\$71,342	\$71,342
Mobile Home Licenses	0	0
Licenses and Permits	0	0
State Grant	0	0
Woodlands	0	0
Contributions	0	0
Charges for Services	0	0
Interest and Rentals	378	378
Proceeds from LTD	0	0
Other Revenues	7	7
Total Revenues	71,727	71,727
EXPENDITURES		
Legislative	0	0
General Government	0	0
Public Safety	0	0
Public Works	0	0
Recreation & Cultural	0	0
Other Functions	0	0
Cemetery	0	0
Debt Service	4,614	4,614
Capital Outlay		0
Total Expenditures	4,614	4,614
EXCESS REVENUES OVER (UNDER) EXPENDITURES	67,113	67,113
OTHER FINANCING SOURCES (USES)		
Transfers In	0	0
Transfers Out	140,000	140,000
Total Other Financing Sources (Uses)	(140,000)	(140,000)
EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(72,887)	(72,887)
FUND BALANCE, BEGINNING	148,877	148,877
FUND BALANCE, ENDING	\$75,990	\$75,990

HOPKINS TOWNSHIP
Statement of Net Assets
All Non Major Funds
March 31, 2008

	Debt Service Fund	Total Non-major Funds
ASSETS		
Cash	\$74,898	\$74,898
Due From Other Funds	4,976	4,976
Delinquent Tax Receivable		0
		<hr/>
Total Assets	79,874	79,874
LIABILITIES AND NET ASSETS		
Due to Other Funds		0
Accrued Interest Payable	3,884	3,884
Long Term Debt		0
		<hr/>
Total Liabilities	3,884	3,884
Net Assets	75,990	75,990
		<hr/>
Total Liabilities and Net Assets	\$79,874	\$79,874

HOPKINS TOWNSHIP
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended March 31, 2008

	Original Budget	Final Budget	2008 Actual	Variance Favorable (Unfavorable)
Revenue				
Real Property Taxes	\$69,300	\$70,800	\$66,954	(\$3,846)
Home tax	225	225	258	33
Fees and Permits	22,700	21,000	11,534	(9,466)
License Paybacks	250	250	0	(250)
Interest	25,100	40,100	52,252	12,152
and Royalties	0	0	0	
Fees for Service	4,000	4,000	6,050	2,050
Landfills	0	0	0	
Millage	60,000	65,000	72,682	7,682
Shared Revenue	150,000	125,000	165,372	40,372
on Traffic	0	0	0	
of Way	3,800	3,800	3,645	(155)
Grant	0	0	0	
Escrow	1,000	1,000	0	(1,000)
Revenue	2,260	5,260	11,236	5,976
Tax	125,000	139,000	148,990	9,990
eds from LTD	0	0	163,337	163,337
tary	3,075	3,225	370	(2,855)
ke Assessment	1,800	1,800	2,100	300
Total Revenues	468,510	480,460	704,780	224,320
Expenditure				
Administrative				
Township Board:				
Salaries and Wages	5,200	5,000	4,250	750
Mileage	0	0	0	
Dues	2,000	2,000	1,317	683
Professional Fees	24,250	17,000	5,586	11,414
Subsidies	14,000	7,000	7,000	
Office Supplies	1,100	1,100	940	160
Other Functions	18,050	13,500	10,658	2,842
Misc	1,500	500	1,191	(691)
Education	0	0	0	
Printing	1,500	0	0	
Total Township Board	\$67,600	\$46,100	\$30,942	\$15,158
Municipal Government:				
Township Supervisor				
Salaries and Wages	\$11,196	\$11,532	\$11,532	
Office Supplies	1,100	1,100	0	1,100
Transportation	0	0	0	
Misc	0	0	235	(235)
Total Supervisor	12,296	12,632	11,767	865
Elections:				
Salaries and Wages	4,500	1,800	1,761	39
Office Supplies	1,200	450	425	25
Contract Services	0	0	0	
Transportation	0	0	0	
Printing and Supplies	0	0	0	
Education	0	0	0	
Total Elections	5,700	2,250	2,186	64

HOPKINS TOWNSHIP
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended March 31, 2008

	Original Budget	Final Budget	2008 Actual	Variance Favorable (Unfavorable)
Assessor:				
Salaries and Wages	15,840	16,320	16,320	
Office Supplies	0	0	0	
Operating Supplies	2,300	2,700	2,648	52
Transportation	0	0	0	
Misc	500	250	150	100
Total Assessor	18,640	19,270	19,118	152
Clerk:				
Salaries and Wages	11,196	11,532	11,532	
Contract Services	0	0	0	
Office Supplies	1,500	1,000	397	603
Transportation	0	0	0	
Education	0	0	0	
Misc	500	500	20	480
Total Clerk	13,196	13,032	11,949	1,083
Board Of Review:				
Salaries and Wages	1,400	1,700	1,650	50
Office Supplies	0	0	0	
Printing	0	0	0	
Education	0	0	0	
Total Board of Review	1,400	1,700	1,650	50
Treasurer:				
Salaries and Wages	12,864	13,248	13,248	
Office Supplies	3,000	3,200	3,182	18
Transportation	0	0	0	
Repairs and Maintenance	0	0	0	
Education	0	0	0	
Misc	500	500	54	446
Total Treasurer	16,364	16,948	16,484	464
Township Hall:				
Salaries and Wages	6,000	6,000	4,473	1,527
Office Supplies	0	0	0	
Operating Supplies	0	0	0	
Training and Seminars	3,300	4,000	677	3,323
Park Expense	0	0	0	
Repairs and Maintenance	500	500	424	76
Buildings	0	0	0	
Capital Equipment	5,000	6,500	6,369	131
Public Utilities	3,500	3,500	2,311	1,189
Total Township Hall	18,300	20,500	14,254	6,246
Total General Government	85,896	86,332	77,408	8,924

HOPKINS TOWNSHIP
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended March 31, 2008

	Original Budget	Final Budget	2008 Actual	Variance Favorable (Unfavorable)
Safety				
Planning:				
Salaries and Wages	\$6,500	\$6,500	\$5,717	\$783
Office Supplies	1,200	1,200	0	1,200
Professional Fees-Legal	0	0	0	
Contract Services-Planning	0	0	0	
Printing	0	0	0	
Education	0	0	0	
Misc	400	400	170	230
Total Planning	8,100	8,100	5,887	2,213
Zoning Board of Appeals:				
Salaries and Wages	3,000	3,000	2,291	709
Office Supplies	0	750	0	750
Professional Fees-Legal	0	0	0	
Printing	750	0	0	
Education	0	0	0	
Total Zoning Board of Appeals	3,750	3,750	2,291	1,459
Zoning Administration				
Salaries and Wages	16,850	0	0	
Office Supplies	850	0	0	
Professional Fees-Legal	2,000	0	0	
Transportation	325	0	0	
Education	300	0	0	
Total Zoning Administration	20,325	0	0	0
Contract	63,069	67,244	67,244	
Total Public Safety	95,244	79,094	75,422	3,672
Public Works:				
Street Lighting	1,600	1,900	1,730	170
Road Commission	125,000	206,350	67,372	
Drains at Large	2,000	17,000	16,557	
Total	128,600	225,250	85,659	170
Recreation and Culture:				
Recreation:				
Salaries and Wages	0	0	0	
Planning Services	0	0	0	
Repairs and Maintenance	7,000	7,000	0	7,000
Supplies	0	0	2,560	(2,560)
Capital Outlay	0	113,000	0	113,000
Total	\$7,000	\$120,000	\$2,560	\$117,440

HOPKINS TOWNSHIP
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended March 31, 2008

	Original Budget	Final Budget	2008 Actual	Variance Favorable (Unfavorable)
ner Functions				
Fire Equipment	81,569	150,000	303,187	(153,187)
Right of Way	3,800	3,800	0	3,800
Insurance and Bonds	8,400	6,600	954	5,646
NE Lake Rd	1,800	1,800	1,546	254
Fringe Benefits	6,200	6,200	5,657	543
ODA	3,000	3,800	0	3,800
Fire Interest	0	0	5,480	(5,480)
Total	104,769	172,200	316,824	8,563
metary	39,632	50,012	37,216	12,796
Expenditures	528,741	778,988	626,031	166,723
s Revenues Over (Under) Expenditure	(60,231)	(298,528)	78,749	377,277
Financing Sources (Uses)				
sfers Out	0	0	0	0
sfers In	0	0	140,000	(140,000)
s Revenue and Other Financing Sources				
(Under) Expenditures and Other Use:	(60,231)	(298,528)	218,749	377,277
Balance - Beginning of Year			1,319,477	
Balance - End of Year			<u>\$1,538,226</u>	

June 3, 2008

To The Township Board
Hopkins Township
Hopkins, Michigan

We have audited the financial statements of Hopkins Township for the year ended March 31, 2008 and have issued our report thereon dated June 3, 2008. Professional standards require that we provide you the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated March 20, 2008 our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Accounting Policies

Management has the responsibility for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by Hopkins Township are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Hopkins Township's books during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material; either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements of the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Comments

The segregation of duties continues to be an issue in both the coordination of bank reconciliations and the account distribution. It is necessary for the Treasurer to formally acknowledge both the bank reconciliation and the account distribution made by the clerk.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We wish to thank the staff for their support and assistance during our audit.

This information is intended solely for the use of the Township Board, and management of Hopkins Township and is not intended to be and should not be used by anyone other than these specified parties.

Galridge & Company

Grand Rapids, MI
June 3, 2008